

**U. S. Department of Energy
Oakland Operations Office**

**WORK FORCE
RESTRUCTURING PLAN**

for

Lawrence Livermore National Laboratory

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INTRODUCTION

The Work Force Restructuring Plan for Lawrence Livermore National Laboratory (LLNL) is submitted by the Oakland Operations Office (DOE/OAK) pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484). The LLNL Work Force Restructuring Plan was developed using the consultation process described in section 3161, as well as guidance provided by the U.S. Department of Energy Office of Worker and Community Transition. This plan covers the period beginning with FY96. The Plan will be updated as LLNL and DOE/OAK continually assess the LLNL work force to ensure the appropriate skills mix exists to meet programmatic needs. The appropriate means of accomplishing necessary work force restructuring will be considered as needs are identified.

IMPACT OF FISCAL YEAR 1998 ENERGY AND WATER APPROPRIATIONS ACT

The ability of DOE to provide the benefits described herein beyond those required under contract or existing company policy is dependent upon sufficient funding being available from DOE's Office of Worker and Community Transition and, subsequently, on Congressional appropriation to the worker and community transition appropriation to fund these benefits for displaced workers. The Fiscal Year 1998 Energy and Water Appropriations Act includes the following provision:

Sec. 304. None of the funds appropriated by this Act or any prior appropriations Act may be used to augment the \$61,159,000 made available for obligation by this Act for severance payments and other benefits and community assistance grants under section 3161 of the National Defense Authorization Act for Fiscal Year 1993.

The Conference Report further states:

The Conferees direct that no other Departmental funds be used to provide enhanced severance payments and other benefits authorized under the provisions of section 3161 of the National Defense Authorization Act of Fiscal Year 1993. . . .

This new policy will require priority determinations for allocating limited resources and may affect enhanced benefits included in this plan that may be offered as work force restructuring is implemented in the future. Prior to implementing any program including enhanced benefits, the DOE Oakland Operations Office will submit to the Office of Worker and Community Transition an estimate of the number of participants and costs associated with a proposed benefit offering. Provision of funding for these benefits will be determined by the Office of Worker and Community Transition in consultation with the DOE Oakland Operations Office.

"Enhanced Benefits" under this plan include any payments that are not associated with contract provisions, or existing company policy, but are directly related to initiatives included in work force restructuring plans. This includes the incremental cost of voluntary separation incentive payments, construction worker benefits, post-separation education benefits, relocation, and outplacement assistance.

SUMMARY

The Lawrence Livermore National Laboratory (LLNL) is operated by the University of California (UC) under contract with the Department of Energy (Contract No. W-7405-ENG-48). LLNL serves as a national resource in science and engineering, focused on the Nation's security, nuclear weapons, energy, environment, and bioscience.

In FY96, the Laboratory, in consultation with DOE/OAK, initiated an in-depth assessment of its work force requirements. The purpose of the assessment was to align staffing levels and skills mix with current and anticipated Laboratory needs. There were three specific drivers: changes in operational methods and practices, programmatic changes, and the Laboratory's internal efforts, such as the Cost Cutting Initiative, to reduce costs through consolidations and eliminations.

LLNL presented the results of its assessment to DOE/OAK. DOE/OAK then developed a plan for restructuring the work force in consultation with LLNL and affected stakeholders.

Efforts have been made to reduce costs while retaining a work force with the skills necessary to fulfill the DOE mission. Processes were re-engineered to provide more cost-effective operations. To further reduce the impacts on the employees and to the community, the following additional steps have been taken:

- C control of hiring through rigid external-hire allocations, and
- C transfer of employees into vacancies when reasonable skill matches existed.

DOE/OAK announced the work force restructuring to LLNL employees and to the public on June 17, 1996. Appendix A provides a copy of this announcement. It was anticipated that the work force restructuring would require separating up to 600 employees. As part of the restructuring, the Laboratory actively pursued reassignment of employees from areas potentially requiring downsizing into growth areas where there was an appropriate skills match or high potential for a match within a reasonable period of additional training. Although the professional

populations in both the technical and administrative areas possessed broad skills that enhanced their fungibility, the Laboratory's need for highly specialized expertise in many areas limited this capability. A voluntary incentive program was key to the Laboratory's ability to reduce or eliminate the need for involuntary reductions. A description of the Voluntary Separation Incentive Program (VSIP) and related documents are attached in Appendix B.

Throughout the work force restructuring process, LLNL will comply with applicable equal employment opportunity laws and related DOE directives. Every effort will be made to ensure that any required involuntary separations will be implemented in a manner consistent with fair and equal treatment of all employees.

Work force planning is an ongoing process. DOE/OAK and LLNL anticipate that any future work force restructuring will be performed in a manner similar to that described herein, i.e., that consideration will be given to the use of attrition and voluntary separation programs before involuntary programs are considered. DOE/OAK will address any change in that approach in future updates or addenda.

OBJECTIVES

The objectives of the Work Force Restructuring Plan for LLNL are:

- C to retain a work force with the skills necessary to continue the mission of applying world-class science and technology to the Department of Energy's programs;
- C to use attrition, appropriate retraining, and voluntary separation programs to minimize involuntary separations; and
- C to mitigate the impact of involuntary separations on affected employees and minimize the social and economic impact to the surrounding communities.

WORK FORCE PLANNING

For more than six months in FY 96, the senior management at Lawrence Livermore National Laboratory focused on work force analysis. This process, at the institutional and directorate levels, was undertaken to align staffing levels and skills mix with current and anticipated Laboratory needs. DOE reviewed the results of this work force analysis and consulted with laboratory management on future programmatic direction and skills needs. As a result of these efforts, this Work Force Restructuring Plan was jointly developed.

Overall, the Laboratory's FY96-97 work force planning effort was in response to three major drivers:

- 1) Changes in operational methods and practices. These included such things as conversion to the use of more electronic ways of doing business, the move toward private sector business practices, the streamlining of support functions, and the evaluation of outsourcing options.
- 2) Changes in programs. These changes were in response to current and anticipated needs such as the growth in science-based stockpile stewardship, the decline of some non-defense programs, and the cessation of nuclear testing.
- 3) Changes resulting from an internal cost-reduction study. These changes focused primarily on the centralization and standardization of distributed functions, the consolidation and elimination of some work and functions, and corresponding work force reduction.

Each organization within the Laboratory reviewed its current work force and planned its future staffing needs against anticipated requirements flowing from these three main drivers. The

Laboratory Director's Office set guidelines for each organization and worked with each office in its analysis. Each organization then returned to the Director's Office specific information concerning areas designated for reduction as well as areas necessary to maintain or expand for future needs. This analysis quantified the characteristics of the work force restructuring. Specifically, the analysis resulted in a planned reduction of up to 675 positions, as well as the necessity to retain skills in approximately 700 positions. Those positions designated for reduction were reviewed carefully against a backdrop of internal reassignment and retraining, while guarding against the loss of highly critical skills.

FY 1996-1997 VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP)

The University of California retirement plan includes a large pension multiplier for employees aged 60 and older. Accordingly, DOE/OAK and LLNL determined that the best means of accomplishing the desired reductions without significant impact on morale or loss of continuing technical capacity would be to implement a Voluntary Separation Incentive Program (VSIP) that would be likely to appeal to both younger employees and employees who were already over age 60.

Thus, the next step in this restructuring effort was to offer a VSIP. The purpose of such an offer was to achieve the three objectives identified above. Based on the Laboratory's work force review, employees were placed into three categories, which are listed in the table below, relative to their participation in the VSIP:

- C "Excluded Population" identified 707 employees who were excluded from participation in the VSIP because their skills were determined to be critical to the ongoing mission of the Laboratory. Ninety percent of the excluded population

encompassed scientists, engineers, and other technical employees.

- C "Designated Population" identified the 449 employees in areas designated for restructuring, i.e., where involuntary actions might be necessary if the voluntary and other actions, e.g. attrition and internal reassignments, were unsuccessful in achieving the Laboratory's objectives for reduction. This category included functions that continued to be needed but at a reduced level, as well as functions that might be phased out. All of the employees in this category were eligible to participate in the program.

- C The remaining population included 6,891 employees who would be accepted to participate in the VSIP only if replacement would not result in an external hire. This allowed the Laboratory to reassign and retrain employees where appropriate and, in some cases, reorganize delivery of services, thus obviating or reducing the need for replacement. In order to control the number of individuals who could participate in the VSIP, the Laboratory instituted numerical caps on participation for each job series. Acceptance for the program was on a first come, first served basis.

LLNL Classification	COCS Class.	Eligible Pop.	Exclusion	Designated	Cap
050 Fire Services	L010 Fire Fighters	10	1	2	2
100 Administrative	M000 Mgmt/Supv P000 Prof. Admin	1013	34	76	128
200 Scientists/Engineers	S000/E000 Scientists/Engineers	2478	418	134	220
300 Technical Exempt	T000 Technicians	733	76	54	97
400 Clerical	G000 Gen'l Admin Clerical	766	9	31	70
500 Technical Non-Ex	T000 Technicians	1138	130	84	87
600 Service	L000 Gen'l Svc.	211	39	20	20
800 Crafts & Maint.	C000 Crafts L000 Gen'l Svc.	395	0	23	26
900 Materials Fab.	C000 Crafts	147	0	25	25
Total		6891	707	449	675

The Laboratory had an "extended window" (from July 15, 1996, through November 27, 1996) for accepting applications for VSIP participation. LLNL hoped that allowing employees sufficient time to assess their interest would improve the participation rate. Additionally, employees in "Designated" categories had the opportunity to fully explore opportunities for reassignment, thereby lessening the need for an involuntary downsizing.

The Laboratory carefully monitored this program throughout the extended window period. It aggressively reassessed needs and retrained personnel where appropriate. In addition, any new hires were subject to control and approval by the Laboratory Director. Thereafter, an assessment made in January and February 1997 determined that no further work force restructuring would be required in the near future.

The FY 96-97 VSIP resulted in the separation of 502 employees as of December 30, 1996. Separation costs totaled \$21,200,000 through fiscal year 1997. The annual salaries of the participants averaged \$60,172, and totaled \$30,206,000. The average length of eligible service as defined by program guidelines was 18.5 years. An additional 467 positions were reduced at the site during fiscal years 1996 and 1997 through managing attrition.

Voluntary reductions generally reflected the percent of employees directly charged to programs and indirect overhead employees (76 percent Direct, 24 percent Indirect), indicating a proportionally balanced reduction across these categories.

The Laboratory anticipates incurring VSIP-related expenses of less than \$1 million for the continuation of medical benefits and educational assistance expenses.

There is no guarantee that any subsequent programs will offer benefits equal to those described in the VSIP announced in June 1996. Additionally, it is not the intent of the U.S. Department of Energy in implementing this plan to create any private rights of action or to create any rights in

third parties. In addition, based on experience, future VSIPs may contain a revised General Release and Waiver to effectively preclude re-employment within the University of California-managed laboratory community for a one-year period, in addition to restrictions on re-employment at LLNL only, as in the FY96-97 VSIP. Revised versions may contain additional restrictions intended to provide consistency with Departmental guidance.

INTERNAL AND EXTERNAL PLACEMENT ASSISTANCE

Following the DOE general announcement to the public on June 17, 1996, about the LLNL work force restructuring, internal transfers were expedited to reduce the number of employees who might terminate through involuntary separations.

Employees in excess skill positions were encouraged to seek related positions within LLNL for which they qualified. Employees may or may not ultimately be candidates for termination through involuntarily separations, depending on the need to retain critical skills and adequate staffing levels for ongoing or future mission requirements.

Internal transfers were effected without the requirement for a competitive selection process or the need for transferring employees to meet all of the qualification requirements, if a reasonable amount of training fully qualified them to assume the new jobs. New electronic tools were developed to assist in the rapid redeployment of potentially impacted personnel. The Laboratory utilized Resumix, a computer program, which matched employees' skills with internal job openings.

As set forth in greater detail in Appendix B, employees were assisted in external job search efforts with information on resume writing, interviewing and networking, and external employment opportunities. They were also provided access to Internet job bulletins, including Job

Opportunity Bulletin Board System (JOBBS), which is a database maintained by the Department of Energy that (a) lists vacancies throughout the DOE complex, and (b) provides employees who have been involuntarily separated and meet the job attachment test with information regarding job opportunities for which they may receive a hiring preference.

LLNL INVOLUNTARY SEPARATION PROGRAM

If it becomes necessary to resort to an involuntary separation program to achieve LLNL's work force restructuring objectives, that program would include:

- C 30-day minimum notice period;
- C Severance pay, for eligible employees;
- C Outplacement assistance;
- C Career and personal counseling;
- C Preference in hiring within LLNL, under applicable personnel policies; and
- C Preference in hiring by DOE contractors and subcontractors (subject to meeting the Job Attachment Test in Appendix C)

Notification

Consistent with the contract between the University of California and the DOE for the operation of the LLNL and any applicable collective bargaining agreements, the issuance of individual involuntary separation notices will include a minimum 30-day formal notice period prior to the effective date of the individual involuntary separation. Affected employees can utilize a reasonable amount of their time to search for jobs inside and outside of LLNL during the 30-day notice period. Since providing this time increases the possibility that affected employees will locate other jobs, it will help to mitigate the impact of involuntary separation upon employees.

Because the University of California is an unincorporated arm of the State of California, and LLNL is an unincorporated arm of the University, the Worker Adjustment Retraining and Notification (WARN) Act would not apply to such a separation program. Any involuntary separation notices will be presented to employees by their managers and will include statements that:

- C the employee has been selected for involuntary separation as a result of restructuring activity (e.g., mission changes, reengineering of work, lack of work, and lack of funds) and the effective date of the involuntary separation;
- C the employee will have at least 30 calendar days from the date of the notification before being involuntarily separated, unless the employee locates another position within LLNL;
- C the employee will receive severance payment upon termination in accordance with LLNL policy; and
- C the employee can appeal the involuntary separation pursuant to the established LLNL grievance or administrative review procedure.

Severance Pay

All eligible employees who are involuntarily separated will receive severance pay as specified in the contract between the University of California and the DOE for the operation of LLNL.

Career employees, excluding UC faculty, trainees, apprentices, and term appointees, who are eligible for vacation and sick leave credits and who are involuntarily separated (see Section K, Part II, Layoff of the Laboratory's Personnel Policies and Procedures Manual) for an indefinite period are eligible for severance payments. Employees on leave of absence for other than legally protected reasons must return to full-time or part-time status to be eligible for severance pay.

The severance payment will be made in an amount equal to one week's pay for each year of *continuous full-time equivalent service* (a fractional year of full-time equivalent service of six months or more is counted as one year of service) not to exceed a total of twenty-six weeks' pay. An employee will have the option of selecting a lump-sum payment at the time of termination or payment in biweekly installments.

Continuous Service. Service is continuous if an employee is on pay status each month without a break in service.

A break in service occurs when there is a separation from Laboratory employment status with no commitment to continued employment within the University system.

- a. Periods on an approved leave without pay of thirty days or less, for military service, for illness or injury compensable by workers' compensation, or for assignment to another research organization at the direction of the Laboratory, are counted as periods of continuous service for the purposes of severance pay, as are periods on pay status before and after any other approved leave without pay.
- b. Periods of employment prior to a break in service are not counted as periods of continuous service for purposes of severance payments, nor are periods on pay status as a UC Graduate Student Employee or indeterminate-time employee, except that for an indeterminate-time employee who has attained career status, the period on pay status which qualified the employee for career status and subsequent periods shall be counted.
- c. Continuous service is reestablished when an employee is rehired from preferential rehire status.

Severance Pay Limitations

- C Severance payments will not extend the period of employment beyond the date of termination due to layoff.

- C Severance payments made to an employee will not include payment for any period of service for which the employee has previously received such payment.
- C Severance payments will not be made to any employee who terminates for any reason other than layoff, except that
 - C An employee who resigns after receiving formal notification of layoff but prior to the effective date of layoff may be provided severance payments with the approval of the Laboratory Associate Director for Operations.
 - C An employee who resigns in lieu of another employee who would have been laid off may be provided severance payments with the approval of the Laboratory Associate Director for Operations.
- C Severance payments will not be provided to an employee who transfers to another LLNL position or accepts a career position at another University of California location.
- C Severance payments will not be provided to an employee who refuses a transfer to an *equivalent job* with the Laboratory or refuses an offer of an equivalent job at another University location.
- C *Equivalent Job.* An equivalent job is any career position with the Laboratory or the University at a beginning salary at least equal to the salary paid the employee in the job from which that employee was laid off, regardless of salary range.

Should an individual who has received severance payments be rehired at the Laboratory before the expiration of the number of weeks for which the employee has received severance payments, the amount of the balance shall be credited as an advance on earnings.

Outplacement Assistance

LLNL employees notified of involuntary separation will be offered outplacement assistance by a management consulting firm specializing in providing affected employees with guidance for entering the external job market. Seminars will be designed to give participants a competitive edge in the market place by focusing on developing effective job search techniques. Development of the whole person will be stressed, including accomplishments analysis, career objectives development, resume preparation, marketing techniques, and effective interviewing and negotiating techniques. Through both group and individual sessions, the program's objective will be to increase a participant's likelihood of external placement by matching individual professional strengths to the identified needs of prospective employers. The consulting firm will provide training to the managers who notify the affected employees that they have been identified for involuntary separation. Training sessions for the affected employees will be provided using small groups to ensure individual attention to affected employees.

Career and Personal Counseling

During the notice period prior to the involuntary separation date, a variety of services will be provided to employees notified of involuntary separation. Those services include:

- C A Human Resources professional will be assigned to each affected LLNL employee to provide employment assistance.

- C Administrative support for resume preparation will be provided for affected employees.

- C A contact from within the employee ' s organization will be assigned to keep in touch with the affected employee during the notification period. The contact's role is to direct questions to appropriate resources, ensure the availability of support services, provide care and concern, and help alert LLNL counselors to potentially critical situations.
- C Information will be distributed to affected employees including general guidance about LLNL benefits, unemployment claims, where to find information about jobs both internal and external to the Laboratory and whom to contact for counseling and support.
- C LLNL counselors will be available to provide assistance as needed, and individual counselors will be assigned to affected employees.
- C A Career Resource Center will be provided for LLNL employees by the Human Resources Department. Copies of current newspapers and journals listing vacancies throughout the country as well as listings of LLNL openings are available for review by affected employees. Staff is also available to provide assistance.

Preference in Hiring

LLNL employees who are involuntarily separated can apply for and be considered for vacancies at LLNL and other DOE sites. Employees in the scientific and engineering classifications will be considered as internal candidates for Laboratory vacancies for a period of one year after their individual dates of separation. All other LLNL employees, based on order of seniority, have a preferential transfer right prior to layoff to any laboratory positions for which the employees are qualified. After layoff, they have recall rights to positions in the same classification and department for which the employees are qualified under LLNL policies and rehiring preferences at

the Laboratory to any vacant position for which the employees are qualified.

The DOE JOBBS system is available at the Laboratory's Career Center. JOBBS is designed to expedite redeployment among DOE sites and is available to employees affected by work force restructuring. Involuntarily separated employees who meet the job attachment test contained in the DOE work force restructuring guidelines and reproduced in Appendix C can put their resumes in the JOBBS database and receive the DOE department-wide hiring preference under section 3161. In addition, LLNL and all other DOE contractors and subcontractors will give the hiring preference to these individuals when they are qualified for a job opening. Eligible employees who elect to place their resumes in JOBBS will be considered for hire at LLNL and at other DOE contractor facilities before applicants from outside the DOE complex are hired.

STAKEHOLDER NOTIFICATION AND INVOLVEMENT

The Department of Energy is committed to receiving input from stakeholders and carefully considering applicable comments regarding the effect of this work force restructuring. Copies of the DOE announcement (Appendix A) and the work force restructuring draft plan were made available to the public.

DOE/OAK held a public meeting on June 27, 1996, to allow stakeholders an opportunity to comment on the proposed work force restructuring. A written transcript of that meeting is available. Appendix D summarizes comments received in writing subsequent to the meeting.

CONCLUSION

This Work Force Restructuring Plan has been developed to meet the requirements and the spirit of the National Defense Authorization Act for Fiscal Year 1993 with regard to mitigating the impact of downsizing on workers and their communities. The framework of this plan will form the baseline for future restructuring at LLNL, subject to revised incentive components appropriate to the restructuring needs of the organization. This plan reflects the planned work force restructuring at LLNL that occurred beginning in FY96. As changes to this approach become necessary, they will be set out in updates, amendments, or addenda to the plan, as appropriate.